

85th Legislative Session – 2010

Committee: Joint Appropriations

Friday, January 22, 2010

P - Present
E - Excused
A - Absent

Roll Call

P Ahlers
P Burg
P Bartling
P Dennert
E Hundstad
P Wismer
P Novstrup (Al)
P Brown
P Carson
P Deadrick
P Peters
P Wink
P Haverly
P Putnam
P Hunhoff (Jean), Chair
P Tidemann, Vice-Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Senator Jean Hunhoff.

Board of Regents

South Dakota School of Mines and Technology

Dr. Robert A. Wharton, President of South Dakota School of Mines and Technology (SDSM&T), introduced Mr. Tim Henderson, Vice President, Business Administration; and Dr. Duane Hrcir, Provost/Vice President for Academic Affairs; who presented the FY11 budget

request via DDN. Distributed was a handout entitled “South Dakota School of Mines and Technology: FY11 Joint Appropriations Committee Presentation” (**Document #1**).

For FY11, the Governor recommends a total appropriation of \$57,602,602 and 416.1 FTEs. The recommended change includes an increase of \$526,394 in general funds, an increase of \$3,008,825 in federal fund expenditure authority, an increase of \$1,782,476 in other fund expenditure authority, and a reduction of 13.5 FTEs.

Dr. Wharton said that 98% of SDSM&T graduates find jobs within one year of graduation or attend graduate school. The number of graduates employed in South Dakota is up 8% from 2008 with an average starting salary offer for 2009 graduates of \$56,215.

Freshman to sophomore retention rates have increased from 72% in the 2004-2005 academic year to 83% in the 2008-2009 academic year. Dr. Wharton noted that SDSM&T has the highest retention rate in the regential system.

Since 2005, SDSM&T has started new Ph.D. programs in chemical and biological engineering, biomedical engineering, and nanoscience and engineering. Enrollment in the programs is increasing. The first students in the nanoscience and engineering Ph.D. program graduated in December 2009.

In partnership with Black Hills Power, SDSM&T has launched a renewable energy research facility. This facility provides an opportunity to get meaningful research experiences for our engineering and science students and to establish collaborative outreach activities.

Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) is a program designed to generate enthusiasm and interest in science and engineering in high school students – primarily Native American students. This is an opportunity for the university to be active with the community and be part of continuing education for high school students. The GEAR UP program has experienced many successes including:

- 220 Students, 9th through 12th grade;
- 85% Native American;
- Nearly 100% graduate from high school;
- 87% enroll in college, 9% join the military; and
- 17th year for summer residential program.

The research at DUSEL is contributing to South Dakota’s economy. South Dakota School of Mines and Technology have received \$19.5 million in federal funds in 2010. It is projected that SDSM&T will provide 26 personnel at DUSEL for 2010. Many of the positions are not funded through the general fund, but primarily through grants and contracts.

In response to Representative Carson's question, Dr. Wharton stated that SDSM&T currently has 20 people on staff for DUSEL. It is anticipated another 6 FTEs will be hired by the end of the fiscal year. The FTEs will be SDSM&T employees and receive benefits.

Senator Hunhoff and Senator Haverly asked about the funding for the positions. Mr. Henderson stated that the 26 FTEs will be funded through National Science Foundation (NSF) grants with Berkeley College. Dr. Wharton stated that Berkeley College is the lead university on the NSF grant. Berkeley College received \$29 million grant money and sent \$19 million of the grant to SDSM&T for the research to DUSEL.

Senator Haverly asked about the accountability of the FTEs for DUSEL. Mr. Henderson stated the 100 FTEs for DUSEL are listed in the SDSM&T budget as federally funded FTEs. At the end of the year, the unused FTEs are reverted.

The operating budget for FY10 is comprised mostly of grants and contracts (39.9%). The state appropriation comprised 26.7% of the operating budget.

Representative Dennert asked about the difference in other tuition and fees and tuition and fees allocation. Mr. Henderson stated that the tuition and fees allocation is the funds reverted back to the system-wide managed pool and the other tuition and fees are the lab fees and activity fees paid by the students that remain at the university.

Dr. Wharton said that the Ph.D. in physics program is critical for the DUSEL and economic development of the state. Of the \$970,000 requested for FY11, \$439,640 and 7.0 FTEs are directed to SDSM&T.

Other FY11 system priorities for SDSM&T include:

- Health Insurance — \$705,297;
- SD Opportunity Scholarships — \$200,000; and
- REED computing for Research, Education, Economic Development — \$106,241.

Senator Hunhoff requested the capacity and utilization of REED at SDSM&T.

Black Hills State University

Dr. Kay Schallenkamp, President of Black Hills State University (BHSU), introduced Mr. Dean Meyers, Provost and Vice President for BHSU; and Ms. Kathy Johnson, Vice President for Finance and Administration; who presented the FY11 budget request via DDN. Distributed to the committee was a PowerPoint presentation (Document #2).

For FY11, the Governor recommends a total appropriation of \$53,775,004 and 430.7 FTEs. The recommended change includes an increase of \$55,461 in general funds, an increase of \$21,324 in

federal fund expenditure authority, and an increase of \$2,692,917 in other fund expenditure authority. The FTE level is recommended to decrease by 19.2, which is a 4.3% change.

Dr. Schallenkamp told the committee that BHSU had numerous successes last year. Some of the highlights include:

- Record enrollment of 4,076 students in the fall 2009;
- The third largest university in the state with students from 44 states and 25 countries;
- More than 30% of the student population is adult learners;
- An increase of 33% in graduate students over the past five years; and
- The number of American Indian students who earn a degree from BHSU is nearly twice the Board of Regents (BOR) system average.

Currently, BHSU offers 56 academic degrees at the master's, bachelor's, and associate degree level and is continually updating these programs and developing innovative academic programs to meet the State's needs. Dr. Schallenkamp noted that one in three BHSU graduates enroll in a graduate degree program.

Black Hills State University is heavily involved in DUSEL and SUSEL activities. Nearly 50 BHSU faculty, staff and students are involved in Sanford Lab initiatives including neutrino physics and microbial genomics research, science education, history, technology, mass communications, and photography. The university's involvement with Sanford Lab has provided nearly \$2 million in grant funding in the last three years and significant collaborations with other researchers from across the nation and world.

Senator Hunhoff asked about the distribution of the \$2 million grant. Dr. Schallenkamp said that part of the grant will be used to fund positions that are involved in conducting research at the lab.

Senator Haverly asked about the tracking of the federally funded FTEs. Ms. Johnson said that BHSU internally goes through a review of the federally funded positions to determine which FTEs will continue and the ones that will end. Currently, there is more grant activity entering the BHSU compared to leaving and therefore the FTEs have been increasing.

Senator Haverly asked about the accountability of an FTE that is funded by both federal funds and state general funds. Ms. Johnson stated that all FTEs are included in the analysis report. All changes in FTEs for the fiscal year are included. The report is submitted to the BOR and forwarded to the Joint Appropriations Committee.

Dr. Schallenkamp stated that BHSU has been responsive in offering many course delivery options including online, DDN, D2L, and Elluminate to provide students access to educational opportunities. There was a 28% increase last year in students taking on-line courses.

In FY09, BHSU used the \$8.3 million state general fund investment to create an additional \$33 million of direct spending and an additional 290 jobs in South Dakota.

Grants and contracts have increased 500% over the last decade. The university has earned more than \$35 million in grant funding in the last 5 years. The grants have paid the cost of more than 30 FTE in FY09, funded \$891,415 in scholarships the last three years, and funded \$177,829 in research equipment.

Dr. Schallenkamp stated that renovations and new construction are being designed with energy efficiencies and a goal of silver certification from LEED (Leadership in Energy and Environmental Design). Retrocommissioning projects are taking place in several buildings on campus to provide more efficient operation of the air handling systems.

Senator Hunhoff asked about energy efficiencies creating a reduction in the budget. Ms. Johnson said that several energy efficiency projects have been completed with savings in the utility budget. Any savings in the utilities budget is reinvested into additional energy savings projects.

Representative Carson requested information about the total utility bill for the year at BHSU.

Dakota State University

Dr. Douglas D. Knowlton, President of Dakota State University (DSU), introduced the staff members present at the meeting – Mr. Stacey Krusemark, Vice President for Business and Administrative Services; and Ms. Cecelia Wittmayer, Vice President for Academic Affairs. Distributed to the members was a handout of DSU's budget, budget request, achievements, and priorities. (Document #3)

The Governor recommends a total appropriation of \$29,606,032 and 276.0 FTEs for FY11. The recommended changes include an increase of \$39,910 in general funds, an increase of \$348,603 in federal fund expenditure authority, and an increase of \$484,387 in other fund expenditure authority. The FTE level is recommended to decrease by 2.0.

A 2009 economic impact study, conducted by the National Center for Rural Health Works at Oklahoma State University, reports that Dakota State University has a total economic impact of \$52.5 million annually on the Madison region.

Ms. Wittmayer stated that the fall 2009 enrollment was 2,891. Dakota State University has experienced enrollment successes including:

- A 2.91% increase in headcount and 4.81% increase in FTE over fall 2008;
- A 293% increase since the mission change in the fall 1984 to fall 2009;
- A total of 237 graduate students in one doctoral program and four masters' programs;
- A total of 945 students enrolled at the attendance center in Sioux Falls; and

- 1,098 students enrolled in distance courses.

In response to Senator Hunhoff's question, Ms. Wittmayer said that about 1,300 students take courses on campus.

Dr. Knowlton stated, in response to Senator Hunhoff's question, that maximum capacity on campus would be 1,400 students. The maximum capacity for the residence halls is 650 students and currently they are operating at 85% - 90% capacity.

Ms. Wittmayer informed the committee that DSU has seven programs with 100% placement in their field. The programs include:

- Health Information Administration (B.S.);
- Respiratory Care (both A.S. and B.S.);
- Digital Arts and Design;
- Computer and Network Security;
- Biology for Information Systems;
- Elementary Education & Special Learning and Behavioral Problems; and
- General Studies (A.A.).

Representative Wink requested a listing of the total number of students in each program that has 100% placement.

Mr. Krusemark stated that 52% of the IT faculty is below 85% of the average salary by rank reported in the 2008-2009 Oklahoma Salary Study. This data is collected annually and the totals in the report reflect 2008 salary figures.

A facilities needs assessment was completed in 2005. The maintenance and repair (M&R) investments have focused on energy efficient projects and enhancements - Digital Direct Control (DDC) upgrades, more efficient doors & windows, replacement of lighting, more efficient air conditioner systems upgrades, and more efficient ventilation. Mr. Krusemark said that the Habeger Science Center is currently undergoing renovation work to certify it as a LEED Silver building. The project will be completed in August 2010.

Mr. Krusemark stated that DSU has a commitment for infrastructure investment of \$3 million in Higher Education Facilities Funds (HEFF). The investment will focus on energy efficient projects and those critical to the university.

Senator Hunhoff asked about any possible reduction in utility costs. Mr. Krusemark said that the utility expenses for the academic buildings have been fairly stable from FY06 to FY09; ranging from \$260,000 to \$280,000.

Representative Wismer requested information showing the accurate state support tuition and self support tuition for DSU, and how the tuition revenue affects the university's budget.

Mr. Krusemark stated that a significant annual investment in academic hardware/software is required to keep current technology in the classroom. Requests from colleges and units have historically been nearly twice the dollars available.

Dr. Knowlton stated that the value of campus grant/contract proposals for research and development submitted at DSU has increased from \$3,232,523 in FY08 to \$3,765,820 in FY09. FY10 value as of 1/8/10 was \$9,748,227 with another \$13 million in development stage. Some of the research and development initiatives include:

- 2010 Research Center – National Center for the Protection of the Financial Infrastructure; Center for the Advancement of Health Information Technology;
- B.S. Degree Program in Computer Game Design;
- Barrier-Free Access; and
- Federal Cybersecurity Legislation.

Dr. Knowlton informed the committee that a residence hall will be torn down and replaced with a new efficient building. The university plans to raise the endowment to pay for operating costs to support the building.

In response to Senator Hunhoff's question, Dr. Knowlton stated that DSU received grants for the REED network about a year ago. He will provide documentation of the current usage and capacity for REED. He noted that future utilization will be higher.

Northern State University

Dr. James Smith, President of Northern State University (NSU); Mr. Don Erlenbush, Vice President for Finance and Administration; and Dr. Thomas Hawley, Provost and Vice President of Academic Affairs, distributed a handout summarizing NSU's budget, budget request, achievements, and priorities. (Document #4)

The Governor recommends a total appropriation of \$35,843,913 and 356.5 FTEs for FY11. The recommended change includes an increase of \$49,901 in general funds, a decrease of \$5,172 in federal fund expenditure authority, and an increase of \$749,128 in other fund expenditure authority. The FTE level is recommended to increase by 9.0 FTEs, which is 2.6%.

The 2009 fall enrollment totaled 2,672 with 186 being international students. The online course enrollments increased from 145 in 2008 to 443 in 2009. The statewide E-learning enrollment had a record high with 95 school districts and 884 students.

Dr. Smith stated other accomplishments at NSU in the last year. Some include:

- U.S. News & World Report recognized Northern State University for the third year as one of the best public baccalaureate colleges in the Midwest;
- Half of the fall 2009 freshman class are first generation college students, and over 30 percent are both first generation and from low-income families;
- NSU Men's Basketball Coach Don Meyer recipient of ESPN Jimmy V. Perseverance award at 2009 ESPY awards; and
- The Banking and Financial Services major is steadily growing in both degree seeking and non-degree seeking students including students on campus, at the University Center in Sioux Falls and via DDN network.

Representative Burg asked if there is a method to track the performance of students taking courses online compared to on-campus. Dr. Hawley said that NSU maintains statistics on all completion rates. Currently, NSU has about 90% of all students take on online course through the E-learning centers. The completion rate and grades for each course are submitted to the South Dakota virtual high school.

Dr. Smith updated the committee on the budgetary and financial achievements of NSU. They are:

- Kramer Hall renovation to suite style housing was completed in August 2009 and is at 100 percent occupancy. The project funded was with residence hall rental revenues;
- Science Lab Upgrade project of \$2.7 Million will be completed in summer 2010. The project was partially funded by student fees;
- Barnett Center Addition project of \$3.2 Million will be completed in fall 2011. The project was funded totally through donations to the NSU Foundation. This facility boasts the highest traffic count in the state;
- The NSU Center for Statewide E-learning will participate in the DUSEL project which provides South Dakota educators and students with summer workshops, high school courses and additional training; and
- Recipient of \$1.5 Million dollar Department of Defense Grant to partner with IKOR Stabilized Hemoglobin Wound Healing Development program in Northeast region.

In response to committee questions pertaining to the grant from the Department of Defense, Dr. Smith said that the grant is congressionally designated to NSU for the IKOR Stabilized Hemoglobin Wound Healing Development program. Dr. Hawley stated that the medical technology students and the biology students will work on the project. The medical technology program is a new associate degree program that was created as a result of demand in the northeast area of the state.

The NSU Foundation receipts are the largest in history with \$27.25 Million Capital Campaign in progress. The scholarship awards are highest in history at \$2.4 Million with 1,481 students receiving an average scholarship of \$1,630. Other budgetary items include:

- Northern State University fully supports the Board of Regents budget request and the recommendations of the Governor;
- Economic Impact – NSU students spend \$16 Million in Aberdeen area annually;
- Events held at NSU Barnett Center are the largest source of visitor spending in the Aberdeen area;
- Increasing emphasis on entrepreneurship activities in the state and nation. International Studies – Global experiences and the global economy are central to NSU and the Center for Excellence in International Business. Through dedicated efforts and partnerships, nearly 200 international students currently engage with students, faculty, and staff on the NSU campus. Increase the number of NSU students studying or engaging in service learning opportunities abroad. Countries of current travel include: Brazil, Chile, Costa Rica, Finland, Germany, Jamaica, and Korea;
- Anytime, Anywhere Learning – Integrating mobile technologies across all academic disciplines. In 2009 a pilot project was successfully completed to phase in a wireless and enhanced computing environment. The incoming 2010 freshman class will all have mobile devices. The entire campus will be wireless by summer 2010; and
- Online Education – NSU is providing access to higher education for South Dakota residents by expanding online course and program offerings. Online courses are projected to increase by an additional 95% for fall 2010.

Representative Tidemann requested a list of all the students and schools that use the E-learning program.

In response to Senator Hunhoff's question, Dr. Smith stated that NSU is at 92% of the capacity rate for the residence halls and the maximum capacity for student enrollment on campus is 3,500.

Senator Hunhoff asked about the grant received from the Department of Defense. Dr. Smith responded that the grant will fund a portion of the faculty time, but the vast majority of the grant will be used for student internships.

University Center – Sioux Falls

Dr. Mark Lee, Executive Dean of the University Center in Sioux Falls, distributed a handout entitled "Appropriations Committee Information Snapshot – January 22, 2010" (Document #5). He stated that the University centers are great place to have courses delivered in a different context that reflect the city and the people served.

The fall 2009 headcount was 2,275. The typical student is 27 year-old female that works full-time and takes undergraduate courses (typically two classes per semester). Mr. Lee stated that most (63%) of the classes are taught in the evening.

Representative Deadrick stated that he is not able to track whether the University Centers are totally self supported. He requested information showing staff and funds to support.

Mr. Lee stated that the staff at the University Center in Sioux Falls is funded with self-support tuition dollars, except the nursing program through South Dakota State University and University of South Dakota. The nursing program is different because the program was expanded across the state to meet the increased need. State support dollars were associated with the increase.

University Center – Rapid City

Dr. Dean Meyers communicated via DDN. Distributed was a handout entitled “Meeting Higher Education Needs in Rapid City” (Document #6). He stated that Black Hills State University first began offering on-site courses at Ellsworth Air Force Base (EAFB) 50 years ago. In 2006, the educational facility at EAFB was converted to a financial services center, requiring educational programs to be relocated to sites within Rapid City. The new facility will provide a single site for admissions, financial aid, advising, and other student support services. Dr. Meyers noted that general funds will not be used to operate or construct this facility.

The University Center in Rapid City served nearly 1,700 students in the fall of 2009. The typical student works full-time, has a family, returning to finish a partially completed degree, and many are in the military since the EAFB is only two miles away. Therefore, most of the courses offered will be in the evening.

Senator Hunhoff asked about a rent payment for the nursing program facility. Dr. Jack Warner, Executive Director of the BOR, stated that the SDSU and USD pay rent to have the nursing program taught in the facility by the Rapid City Regional Hospital. Dr. Meyer added that the current design of the new University Center facility does not allow space for the nursing program. If the nursing program needs to move, additional space at the University Center will be needed.

Dr. Meyers stated, in response to Senator Hunhoff’s question, that the University Center is evaluating the staffing needed to support the programs and student services. However, there is a revenue and expenditure issue since the University Center has been located at EAFB with little expense. Currently, there is between 8 and 12 support staff.

Capital University Center - Pierre

Mr. Ron Woodburn, Director of Capital University Center (CUC) in Pierre, stated that CUC was started in 1982 as a private nonprofit organization. In 2003, CUC became part of the Board of Regents (BOR) system.

The average student at CUC is about 30 years old. Other CUC student demographics include:

- Ratio of Female to Male Students –85% to 15%;

- Percentage of Native American Students in Student Body –12% to 14%;
- Approximately 20% of CUC student credit hours are taken online; and
- Students attend CUC from across the state.

Mr. Woodburn stated that CUC took possession of the new facility in the end of May 2009, and started offering classes in the new building in September. The facility includes 4 standard classrooms, nursing laboratory, 70-seat auditorium, 2 seminar rooms, wireless technology through the building, and smart technology in all classrooms.

Representative Tidemann asked about the lease for the facility. Mr. Woodburn stated that it is a long-term lease. The CUC pays an annual lease payment of \$85,000 with \$34,768 coming from the general fund.

Representative Burg asked if there is a way to help the learning center in Huron. Dr. Warner stated that he will research the issue and report back to the committee. Mr. Terry Baloun, President of the BOR stated that the nursing program in Huron was moved to Dakota Wesleyan University (DWU) in Mitchell. The needs that would be served by the BOR were already being met by DWU.

South Dakota School for the Blind and Visually Impaired

Dr. Marjorie Kaiser, Superintendent for South Dakota School for the Blind and Visually Impaired (SDSBVI), distributed a handout that summarizes the services provided at the school (Document #8).

The mission of the SDSBVI is to provide statewide services to the visually impaired children and youth of the state of South Dakota and to serve in a dual leadership and resource model in the statewide efforts to meet the educational needs of sensory impaired children from birth through age twenty-one; and to carry out this mission through cooperative efforts with all appropriate state agencies, educational cooperatives, local education agencies, colleges, and universities.

For FY11, the Governor recommends a total budget of \$3,254,818 and 52.6 FTEs. The recommended budget includes an increase of \$12,767 in general funds and an increase of \$780 in federal fund expenditure authority.

Ms. Kaiser stated that the mission of the school has changed over time. Currently, SDSBVI has the additional responsibility to provide services to children with dual vision and hearing loss. The school is serving more kids today than before.

A comprehensive study of the SDSBVI was performed by the BOR. It was discovered that the schools needs to increase the method of services to the public schools. Ms. Kaiser noted that most of the time, the students at the regular schools receive approximately two hours of help per

month due to the travel time for the consultant. Students that receive SDSBVI classroom services have 147 hours of help per month. Students that stay in the dorms at SDSBVI receive about 320 hours of direct services per month.

To address this issue, Ms. Kaiser stated that the school would like to place more vision consultants in the field to reduce travel time and increase the time spent helping the students.

A second recommendation from the study is to ensure that all students with vision impairments have access to the core curriculum. Blind children need to have hands-on training to learn best and someone needs to be there to help teach these skills. If the social classroom learning with the peers is removed, then it needs to be replaced with direct learning. Ms. Kaiser stated that SDSBVI needs to continue to train teachers and work with Northern State University to see if the program can be expanded. She noted that 30% to 40% of the current SDSBVI teachers will be able to retire in the next ten years.

The delivery model for services in South Dakota is flexible. Students are able to come to the SDSBVI when they have a need and return back to the regular school system. There is about a 25% - 30% turnover for students each year.

South Dakota School for the Deaf

Mr. Terry Gregersen, Superintendent of the South Dakota School for the Deaf (SDSD), and Dr. Warner updated the committee on the FY11 budget request. Distributed was a handout listing the recommended changes at SDSD (Document #9). The total recommended FY11 budget for SDSD is \$4,326,646 and 36.9 FTEs. The recommendation includes an increase of \$16,325 in general funds and a decrease in FTEs of 22.0.

Dr. Warner stated four major areas of interest concerning the SDSD. The areas are:

- There is a high degree of satisfaction by parents and staff about the successful move of the public audio/oral program to Brandon Valley;
- Five students received services at the SDSD facility at a cost of \$288,000 per student. The cost to have students receive services at Brandon Valley is \$48,000 per student;
- There is an emphasis to provide more outreach services across the state. The number of outreach consultants is increasing from 6 last year to 12; and
- The SDSD facility itself is in good condition. However, there are residence halls that have not been used in years and there were challenges with the gymnasium renovation.

After consulting with the major stakeholders, a plan was proposed and submitted to the Joint Appropriations Committee in December 2009. It was recommended that the SDSD continue the successful outreach at Brandon Valley due to the program being dependent on interaction to enhance education.

Dr. Warner said the SDSD is considering an RFP process to find a school district that would be interested taking the sign language program. A school in Iowa has the capacity that could serve the residential students for about \$90,000 per student.

To continue the emphasis on outreach programs, the mobile audiology lab tests and provides services to all deaf children across the state. The purpose is to get early detection of hearing loss and provide the necessary services sooner.

Dr. Warner stated that alternative uses for the SDSD facility have been explored. There is the possibility to have additional income from leasing or selling the facility. Any revenue may be used to offset SDSD expenses in the future.

Senator Ahlers asked about the differences in services provided by SDSD and SDSBVI. Dr. Warner stated that the students remaining at SDSD and SDSBVI are those with critical need. It is important to have student interaction for the auditory/oral program so the students don't rely on sign language skills. To promote the educational mission of SDSD, the auditory/oral students were separated from the bilingual students to enhance their learning opportunity.

Representative Peters requested a list of the current FTEs. Dr. Warner said that SDSD should be able to save an additional 13.9 FTEs. A list will be created and provided to the committee.

Representative Dennert asked about the potential savings from SDSD. Dr. Warner stated that the BOR has identified \$670,000 in savings which could be used to reduce the shortfall in the utilities budget for the state universities.

In response to a question posed by Representative Dennert, Dr. Warner said that the cost for students is the responsibility of the individual school district. However, a portion of the services are borne by the SDSD if the student receives outreach services.

Dr. Warner stated, in response to committee discussion, that the intent of locating the auditory/oral students at Brandon Valley was to reduce travel time to reach the students.

Representative Wismer asked about the reduction of 22.0 FTEs in the SDSD budget. Mr. Gregerson responded that an evaluation has found that more than adequate service can be provided with the twelve outreach people. This method will be more cost effective in the long-run in terms of providing services to the children.

Representative Tidemann requested a floor plan of the SDSD building and total square footage.

Ms. Nikki Soukup-Darland, Coalition for Deaf and Hard-of-Hearing Children, spoke to the committee via teleconference. She stated her disagreement with the BOR's plan for the SDSD.

The actual cost needs to be reviewed including the cost of invaluable quality education. The state must ensure that the children are given the best opportunity to achieve success in life. She would like to look at the total cost to determine a successful outcome for deaf and hard of hearing students.

Senator Ahlers asked about using the E-learning component for providing some services to the deaf community. Dr. Warner responded that the cost would be about \$775,000 and is cost prohibitive. The BOR evaluated the situation and decided not to make an investment of that magnitude and suggested to place the \$670,000 in savings from SDSD to the utilities budget for all the state universities.

The "2010 Budget Request: Fy11 Appropriations Committee Hearing Book" was distributed to the committee. (Document #10)

MOTION:

ADJOURN

Moved by:

Wink

Second by:

Deadrick

Action:

Prevailed by voice vote.

Lisa Shafer
Committee Secretary

Jean M. Hunhoff, Chair